



State of Montana Project Management Office

Project Initiation and Planning Phase

Project Flexibility Matrix Instructions

A Project Flexibility Matrix is a simple but effective tool that helps guide tradeoff discussions on scope, resources and schedule during project definition and planning work. The matrix is used to clarify what constraints are flexible and what project goals must be held.

NOTE (for those on small projects: *Even if your project is only a few weeks long and seems totally straightforward, this simple one-page tool helps you clarify what's most important with the people who want the outcome of your project. If typical issues arise—and the shorter the project, the easier it is to throw the timeline way off due to one issue—the priority clarity just from using this tool up front will help you make choices on how to proceed. It is first and foremost a clarification and communication tool.*

This simple matrix helps drive a top-level clarification process at the front end of a project. It forces tradeoff discussions to occur in the project team and with the project sponsor and stakeholders. Completing the Project Flexibility Matrix early gives the team a tool for making tradeoff decisions once typical resource, time or cost constraints arise during detailed requirements and planning work.

It is also a reference point downstream for managing change.

A summary of its benefits:

- Helps to focus decision-making early in the project.
- Establishes agreement on priorities across all functional groups.
- Guides tradeoff discussions throughout the project.

Use the matrix in early tradeoff discussions to frame the dialog and to drive the discussion on setting priorities.

The project team discusses the tradeoffs by placing a checkmark or sticky note in the appropriate cell of the matrix, with only one choice per column. In practice, the choices move around quite a bit as different perspectives are presented and championed.

As the project vision becomes firm, the matrix becomes stable and records the tradeoffs in a simple to understand format.

Later in the project, when changes are proposed, the matrix will help reorient these change discussions with the basic tradeoff decisions that were made early in the project.

It is important to get this priority tradeoff established and agreed to by all stakeholders early in the project. Trying to negotiate this tradeoff after the project is launched is often difficult or impossible. Once people solidify their view of the tradeoff with scheduled tasks and named resources, changing these tradeoffs becomes much more difficult.

Project Flexibility Matrix

Flexibility Matrix Format

Tradeoff Factors	Inflexible – Most Critical	Adaptable – Negotiable	Accepting – Will Concede
Scope			
Resources			
Schedule			

Example of Its Use

The stakeholders are wrestling with tradeoffs early in a project. Their Return On Investment estimates and forecasts tell them that a 20% schedule slip may reduce profits by 30% across the life of the product, whereas a 50% overrun on project cost while holding to the schedule may only impact profits by 4%. They agree that a fast time to market is essential to project success by an order of magnitude.

Their Flexibility Matrix will have the following characteristics:

- **Inflexible on schedule:** a few months late has a huge downside.
- **Will concede on resources:** spending more money and being on time has much less downside.
- **Adaptable on Scope:** negotiate scope changes so that money is spent to maintain the schedule.

Tradeoff Factors	Inflexible – Most Critical	Adaptable – Negotiable	Accepting – Will Concede
Scope		√	
Resources			√
Schedule	√		

Later in the project, the project manager is faced with a scope change request due to a competitive announcement. In order to maintain the ROI forecasts and estimates, a significant addition to project scope must be made. She can either contract with additional resources at considerable expense or push out the schedule several months. Using the Flexibility Matrix as a guide, she opts for spending more money to maintain the schedule and uses the table also to communicate to management why she made that choice.

Example Flexibility Matrix Including Rationale

This example includes not just a check or X in the appropriate columns, but also words about WHY that selection was made, very specific to the project. This is an excellent project communication tool no matter what size your project.

Tradeoff Factors	Inflexible – Most Critical	Adaptable – Negotiable	Accepting – Will Concede
Scope			X The customer with the contract has asked for some 'nice to haves' but the two Priority 1 mandatory features in the Vision are the bottom line requirement. The customer is willing to concede all but those two requirements to a later release, if necessary.

Tradeoff Factors	Inflexible – Most Critical	Adaptable – Negotiable	Accepting – Will Concede
Resources		X We are tight on resources due to other critical releases, but given how critical the release date is, we can put on other resources if needed to hold the schedule. (But NOT to create any non-mandatory features.)	
Schedule	X This release is tied to a critical customer contract with a firm delivery date. We cannot miss the date without jeopardizing the contract.		

Administrative Information

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